DOCUMENT RESUME

ED 288 011 CE 048 837

TITLE	Evaluation of the Emergency Veterans' Job Training Program. Final Report. A Report Prepared by the Veterans' Administration, Submitted to the Committee on Veterans' Affairs, U.S. House of Representatives. 99th Congress, 2nd Session.
INSTITUTION	Congress of the U.S., Washington, D.C. House Committee on Veterans' Affairs.
PUB DATE	1 Dec 86
NOTE	11p.
PUB TYPE	Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Employment Programs; Federal Programs; *Job Training; *Outcomes of Education; Postsecondary Education; Program Costs; *Program Effectiveness; Student Financial Aid; *Training Allowances; Unemployment; *Veterans Education
IDENTIFIERS	Congress 99th; *Emergency Veterans Job Training Act 1983

ABSTRACT

In 1983, Congress established the Veterans' Job Training Act (VJTA) Program to provide stable and permanent employment for Korean Conflict and Vietnam era veterans who have been unemployed for long periods of time. About 99 percent of VJTA participants are male, 81 percent are white, 90 percent are at least high school graduates, and over 80 percent served in the Vietnam era. The average age for participants was 40, and those veterans who have had higher rates of unemployment since separation from military service or who have had longer periods of civilian labor force experience appear less likely to participate in the program. About 66 percent of participants enter occupations in the machine trades, structural work occupations, or professional/technical/managerial positions. The average hourly wage received by participants during training is $6.32, with completers averaging about $6.60 during training. About 40 percent of nondisabled participants complete training. The average cost per participant in $3,000 ($5,000 per completer). About one year after having completed the program, veterans average an 11 percent increase in their employment rate and a $45 weekly gain in earnings (for a total of $280). About 50 percent of the completers were still employed 16 months after completing the program. (This report is a summary of the supplementary report that was prepared by Centaur Associates, Inc., to evaluate the impacts of the VJTA.) (MN)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED288011

99th Congress
2nd Session

HOUSE COMMITTEE PRINT 12

FINAL REPORT

EVALUATION OF THE EMERGENCY VETERANS' JOB TRAINING PROGRAM

A REPORT

PREPARED BY THE

VETERANS' ADMINISTRATION

SUBMITTED TO THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

DECEMBER 1, 1986

Printed for the use of the Committee on Veterans' Affairs

U.S. GOVERNMENT PRINTING OFFICE

65-365 O

WASHINGTON : 1986

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

BEST COPY AVAILABLE

COMMITTEE ON VETERANS' AFFAIRS

G.V. (SONNY) MONTGOMERY, Mississippi, *Chairman*

DON EDWARDS, California
BOB EDGAR, Pennsylvania
DOUGLAS APPLEGATE, Ohio
RICHARD C. SHELBY, Alabama
DAN MICA, Florida
THOMAS A. DASCHLE, South Dakota
WAYNE DOWDY, Mississippi
LANE EVANS, Illinois
MARCY KAPTUR, Ohio
TIMOTHY J. PENNY, Minnesota
HARLEY O. STAGGERS, Jr., West Virginia
J. ROY ROWLAND, Georgia
JOHN BRYANT, Texas
JAMES J. FLORIO, New Jersey
KENNETH J. GRAY, Illinois
PAUL E. KANJORSKI, Pennsylvania
TOMMY F. ROBINSON, Arkansas
FRANK McCLOSKEY, Indiana
CHARLES W. STENHOLM, Texas
JOHN PAUL HAMMERSCHMIDT, Arkansas
CHALMERS P. WYLIE, Ohio
ELWOOD HILLIS, Indiana
GERALD B.H. SOLOMON, New York
BOB McEWEN, Ohio
CHRISTOPHER H. SMITH, New Jersey
DAN BURTON, Indiana
DON SUNDQUIST, Tennessee
MICHAEL BILIRAKIS, Florida
NANCY LEE JOHNSON, Connecticut
GUY V. MOLINARI, New York
THOMAS J. RIDGE, Pennsylvania
WILLIAM M. HENDON, North Carolina
JOHN G. ROWLAND, Connecticut

MACK FLEMING, *Chief Counsel and Staff Director*

(II)

BEST COPY AVAILABLE

EXECUTIVE SUMMARY

This is a summary of the Supplementary Report prepared by Centaur Associates, Inc., evaluating the impacts of the Veterans' Job Training Act (VJTA) Program. This is the final in a series of reports prepared under Centaur's evaluation contract.

The summary is divided into nine sections: 1) the VJTA Program, 2) evaluation of the VJTA Program, 3) VJTA participation, 4) program experiences and outcomes, 5) program cost, 6) short-term net impact, 7) longer term net impact, 8) employer retention of veteran completers, and 9) summary of findings.

THE VJTA PROGRAM

The Veterans' Job Training Program was established by Congress in 1983. The goal of the program is to provide stable and permanent employment for Korean Conflict and Vietnam era veterans who have been unemployed for long periods of time. This goal is to be reached by providing monetary incentives to employers to hire and provide significant training for eligible veterans.

Under the program, the U.S. government will reimburse an employer for training costs in an amount not to exceed 50 percent of a veteran's starting wage, up to a maximum reimbursement of $10,000. An employer may receive reimbursement for training a veteran for a maximum period of nine months, except in the case of certain veterans with service-connected disabilities. In this instance, employers may receive reimbursement for a period of up to 15 months.

The original legislation authorizing the Veterans' Job Training Program specified that application to the program must be made by veterans no later than November 29, 1984, and that participation in training must begin no later than March 1, 1985. The original legislation has been amended several times and these deadlines have been extended. Presently, the deadline for veteran application to the program is July 2, 1987, and the deadline for program entry is January 2, 1988.

EVALUATION OF THE VJTA PROGRAM

The purpose of the evaluation is to measure the degree to which the goal of the program has been achieved. Four broad measures or categories of measures have been addressed in the evaluation: 1) key descriptive indicators, such as dropout rates and costs; 2) short-term impacts of the program upon veteran employment and earnings; 3) longer term impacts of the program upon veteran employment and earnings; and 4) employer post-program retention of veterans trained under the program.

The present report contains the final results of the evaluation of the Veterans' Job Training Program. The report focuses on the short-term and long-term impacts of the program for those who have completed VJTA training. The report is based on information obtained from four major sources of data: 1) automated data related to the program maintained by

the Veterans Administration in its Target system; 2) an initial survey of veterans conducted about two months after the scheduled completion of training; 3) a followup survey of a subset of the veterans included in the initial survey, with this second survey conducted about one year following the scheduled completion of training; and 4) a survey of training organizations that had employed VJTA participants who had successfully completed their training.

All data from the veteran surveys and from Target focus upon participants who entered VJTA on or before June 30, 1984. Data from the employer survey focus on participants who completed their VJTA training on or before March 31, 1985.

VJTA PARTICIPATION

Data on VJTA participation have been derived primarily from the veteran survey and from VA's Target system. The key findings are:

- About 99 percent of the participants are male.
- Approximately 81 percent of the participants are white.
- The average age of participants is 40 years.
- About 67 percent of the participants are married.
- About 90 percent of the participants are at least high school graduates, and about 15 percent of these have had some postsecondary vocational/technical training; about 40 percent of the participants have attended college; about 10 percent of the participants have not completed high school.
- Over 80 percent of the participants served in the Vietnam Era.
- About 15 percent of the participants have service-connected disabilities.
- Female participants have higher levels of education, longer periods since last substantial employment, and lower levels of service-connected disability than male participants.
- Blacks are less likely to participate in VJTA than members of other racial/ethnic groups.
- Veterans who have experienced higher rates of unemployment since separation from military service are less likely to participate in VJTA than those with lower rates of unemployment.
- Veterans who have had longer periods of civilian labor force experience are less likely to participate in VJTA than veterans with shorter periods of experience.

The last three factors listed above represent statistically significant differences in the survey results for participants and nonparticipants. The factors have been identified based upon multivariate analysis which has estimated the effects of these factors in conjunction with other factors which have not been found to be statistically significant.

PROGRAM EXPERIENCES AND OUTCOMES

Data on VJTA participation experiences and program outcomes have been derived from VA's Target system and from the initial veteran survey. The key findings are:

- About 66 percent of participants enter occupations in the machine trades, in structural work occupations, or in professional/technical/managerial occupations.
- The average hourly wage received by participants during training is $6.32.
- About 40 percent of the participants complete their training and about 60 percent do not.
- Reasons for noncompletion available from Target are submitted to VA from the standpoint of the employers. Reasons for noncompletion from the veteran surveys have been reported to the evaluation contractor from the standpoint of veterans. Drawing upon both of these sources, it is concluded that about 25 percent of the dropouts leave the program because of dissatisfaction with their training, while another 25 percent leave the program to accept other jobs. Between 30 and 40 percent of the terminations are involuntary (layoffs or firings) and the remainder are voluntary terminations for personal reasons, such as health problems.
- Completers are in VJTA training for an average of 8.5 months, whereas dropouts are in training for an average of 3.5 months.
- Completers receive an average hourly wage of $6.60 during training whereas dropouts receive an average hourly wage of $6.14 during training.
- About 40 percent of nondisabled participants complete training, compared with 36 percent of those with a disability of 10 or 20 percent, and 32 percent of those with a disability of 30 percent or more.
- Female participants primarily enter occupations in the professional/technical/managerial and clerical/sales categories, receive lower hourly wages than males and experience higher completion rates than males.

- Blacks are significantly less likely to complete their training than those in other racial/ethnic categories.
- Participants with longer civilian labor force experience are more likely to complete their training than those with shorter periods of civilian labor force experience.
- Participants with higher family incomes prior to application are more likely to complete their training than those with lower family incomes.
- Participants with higher individual earnings prior to application are less likely to complete their training than those with lower individual earnings.
- Participants with civilian disabilities are less likely to complete their training than those without such disabilities.
- Participants who receive higher wages during training are more likely to complete their training than those receiving lower wages.

The last six factors listed above represent statistically significant differences in the survey results for completers and dropouts. The factors have been identified based on multivariate analysis which estimated the effects of these factors in conjunction with other factors which have not been found to be statistically significant.

PROGRAM COST

Data presented here on cost reflect only the direct expenses incurred in reimbursing participating employers. These cost estimates have been derived from VA's Target system. The key findings are:

- The average cost per participant is about $3,000.
- The average cost per completer is about $5,000.
- The average cost per dropout is about $2,000.

These cost figures are based upon the actual expenditures for over 9,000 veterans who entered VJTA by June 30, 1984. Data from VA's reporting system indicate that veterans entering VJTA after those veterans examined here have received wages that are, on average, 20 cents per hour higher. Therefore, in estimating costs of participation for veterans entering between mid-1984 and mid-1986, an average cost of $3,100 per participant can be projected.

SHORT-TERM NET IMPACT

Estimates of the short-term net impact of VJTA participation have been made based upon the initial veteran survey which was conducted about two

months after the date that sampled veteran participants were scheduled to complete training. The key findings regarding short-term net impact are:

- Program participants experience a gain of about $50 in survey week earnings. Survey week earnings for participants average about $250. In the absence of program participation, it is estimated that survey week earnings for participants would average about $200.

- Participants experience a 14 percent increase in their survey week employment rate. The survey week employment rate for participants is 80 percent. In the absence of program participation, it is estimated that the survey week employment rate for participants would be 66 percent.

- Both completers and dropouts exhibit survey week earnings that are significantly higher than the earnings of nonparticipants and this difference is much larger for completers than for dropouts.

- Completers exhibit a survey week employment rate that is significantly higher than that of nonparticipants, whereas the survey week employment rate for dropouts is not significantly different from that of nonparticipants.

These estimates of net impact are based on multivariate analysis which has accounted for differences between participants and nonparticipants other than VJTA participation.

LONGER TERM NET IMPACT

Estimates of the longer term net impact of VJTA participation have been made based upon data from the veteran followup survey which was conducted about one year after the date that sampled veteran participants were scheduled to complete training. The key findings regarding longer term net impact are:

- Program participants experience a gain of about $45 in survey week earnings. Survey week earnings for participants average about $280. In the absence of program participation, it is estimated that survey week earnings for participants would average about $235.

- Participants experience an 11 percent increase in their survey week employment rate. The survey week employment rate for participants is 77 percent. In the absence of program participation, it is estimated that the survey week employment rate would be 66 percent.

- Both completers and dropouts exhibit survey week earnings that are significantly higher than the earnings of nonparticipants but, in contrast to the short-term net impact findings, the earnings differences of completers and dropouts at this later time are roughly equal.

- Completers exhibit a survey week employment rate that is significantly higher than that of nonparticipants whereas the survey week employment rate for dropouts is not significantly different from that of nonparticipants.

- The findings regarding the earnings and employment of completers and dropouts are reconciled by the fact that a higher proportion of completers are employed but at lower average wages, whereas a lower proportion of dropouts are employed but at higher average wages.

- Program participants experience a gain of about $2,200 in earnings during the followup year. Participant annual earnings during this time period average about $11,800. In the absence of program participation, it is estimated that the annual earnings of participants would average about $9,600.

- Program participants gain 1.5 months of employment during the followup year. The average number of months of employment for participants during the followup year is 9.5. In the absence of program participation, it is estimated that the average number of months of employment would be 8.0.

- Participants experience an increased likelihood of being employed all 12 months during the followup year. The proportion of participants employed all 12 months during the followup year is 60 percent. In the absence of program participation, it is estimated that the proportion of participants employed all 12 months would be 44 percent.

- Participants experience a reduced likelihood of no employment during the followup year. The proportion of participants with no employment during the followup year is 7 percent. In the absence of program participation, it is estimated that the proportion of participants with no employment would be 17 percent.

- During the followup year, participants experience a reduction of about $250 in their level of public assistance. During the followup year, the level of public assistance received by participant households is about $600. In the absence of program participation, it is estimated that the level of public assistance received by participant households would be about $850.

These estimates of net impact are based on multivariate analysis which has accounted for differences between participants and nonparticipants other than VJTA participation.

EMPLOYER RETENTION OF VETERAN COMPLETERS

The survey of training organizations that had employed veterans who had successfully completed their VJTA training is the chief source of data on employer retention of veteran completers. The survey was conducted, on average, 16 months after the sampled veterans had completed their training. The key findings in this area are as follows:

- About 50 percent of veteran completers still are employed by their training organizations 16 months, on the average, after completion of training.

- Following program completion, larger employing organizations (organizations with 16 or more employees) are more likely to retain veteran completers than smaller employing organizations. About 60 percent of veterans who complete training with larger organizations still are employed at the time of the survey. Less than 50 percent of veterans who complete training with smaller organizations still are employed at the time of the survey.

- Veteran completers who no longer are affiliated with their training organizations include those who leave voluntarily (about 60 percent), and those who leave involuntarily (about 40 percent). Of those who leave involuntarily, slightly over one-half are laid off and slightly under one-half are fired.

- About two percent of vetern completers are terminated involuntarily by their training organizations immediately upon completion of training. About three percent of veteran completers voluntarily terminate immediately upon completion of training.

- Upward mobility is experienced by about 31 percent of veteran completers who are retained by their training organizations. The remainder have not been promoted but still are employed in positions utilizing the skills they obtained in their training programs.

SUMMARY OF FINDINGS

The salient summary findings of the long-term evaluative activities addressed in this report are:

- A composite profile of a fictitious VJTA participant may be projected based upon the data available for VJTA participants as a group. This typical VJTA participant is white, male, 40 years of age, a high school graduate, married, and a veteran of the Vietnam Era.

- VJTA has produced statistically significant positive impacts upon the employment rates and the earnings levels of participating veterans in the short-run and in the long-

run. These positive impacts experienced by participants are shared, in different ways, by both the completer and dropout subgroups.

- About 16 months after completion of VJTA, approximately 50 percent of veteran completers still are employed by their training organizations. About 5 percent of veteran completers terminate their employment with their training organizations, either voluntarily or involuntarily, immediately upon completion of training.